

Appendix D - Option evaluation

Scheme design	Weighting	1. Current mean-test variation	2. Banded discount	3. Banded discount – all household income
Broad view of vulnerability possible?	1	Yes	Yes	Yes
Incentivises work?	1	Yes via disregarded income	Yes via disregarded income	Yes via disregarded income, but more incomes to verify / calculate
Doesn't load cuts disproportionately on those with least income	1	Yes, but at the expense of having to have different minimum contribution levels, which adds complexity	Yes, potentially lower income households make up a greater % of those eligible	Yes, potentially lower income households make up even greater % of those eligible
Respond to Brent's claimants' specific demographics?	1	Potentially	Potentially	Potentially
Deliver savings / affordable for up to 3 years?	1	Yes	Yes	Yes
Key impact of delivering savings	1	All or most current claimants pay more CTax; some excluded completely from CTS, but a larger number have smaller entitlements	Can more easily direct savings / cuts to households with more income, excluding the higher earners completely. Impacts on all remaining lower-income claimants can therefore be reduced	Spreads the burden further to those households with someone other than the claimant working. Easier to lessen burden on the lower income claimants
Other members of household should contribute?	1	Yes via non-dependant deductions	Yes via non-dependant deductions	Yes as part of overall income calculation - but increases administration
Opportunities for simpler administration	2	Potentially, but minor	Yes, potentially major	Potentially major, although requires more administration than option 2 due to requiring more information about other household members
Any negative implications of simpler administration?	2	Minor	Potentially more chance of "cliff edges" in entitlement due to the less nuanced assessment. (However cliff edges are relatively small scale given the amounts of weekly CTS entitlements.	Potentially more chance of "cliff edges" in entitlement due to the less nuanced assessment; also more administration than Option 2 due to counting other household members
Transparency for claimants?	2	Not significantly more than current scheme	Yes	Yes, but not as simple as option 2
Compatible with UC?	2	Yes but most difficult to incorporate without complexity	Yes	Yes
Capable of being automated?	2	Potentially, but minor	Potentially to a large degree	Potentially to a significant degree

Overall summary		<p>This option would be the easiest to deliver as it is a variation to the current scheme, which is tried and tested and carries little risk of legal challenge. The complexity of the scheme allows us to reflect almost all the nuances of claimants' individual circumstances, however this is not easy or transparent for claimants to understand, and does not represent a significant simplification. The main current advantage, that CTS mirrors the HB calculation (thus providing a "2 for 1" efficiency), will largely disappear as UC rolls out and up to 90% of the working age caseload migrates to UC, making the administrative costs disproportionate to the value of awards made – average CTS awards are currently £18.77 per week compared to £191.78 for HB. This system also does not as easily support the UC scheme.</p>	<p>This option is transparent and easy to understand for customers, has significantly simplified administration, and can more easily accommodate Universal Credit. It may will be a less nuanced system and may involve some 'cliff edge' decreases to support as claimants move from one band to another – though this should be viewed in the context of the relatively small level of weekly awards - and will require detailed preparation for safeguarding against the possibility of initial legal challenge, changing IT software, publicity and staff training. It is however a design which many authorities are considering for 2020/21 and so can benefit from shared experience and best practice in its development.</p>	<p>This option shares most of the pros and cons of Option 2, but has the added feature of explicitly sharing the financial burden to other adults in the claimant's household; this will enable the scheme to focus cuts in entitlement to households where there are other adults with the means to pay Council Tax and thus preserve greater entitlements for households with lower combined income, however this is achieved at the cost of added administration, including the need to obtain income evidence from residents who are not the liable Council Taxpayer. (It should be noted that a contribution from other adults is already built into Option 1 (current scheme) and can be built into Option 2, if desired.)</p>
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Scoring

Totals	Weighting	Option 1	Option 2	Option 3
Green (3 points)	1	4	4	4
	2	1	4	1
Amber (2 points)	1	1	3	3
	2	1	1	3
Red (1 point)	1	2	0	0
	2	3	0	1
Score		32	46	38